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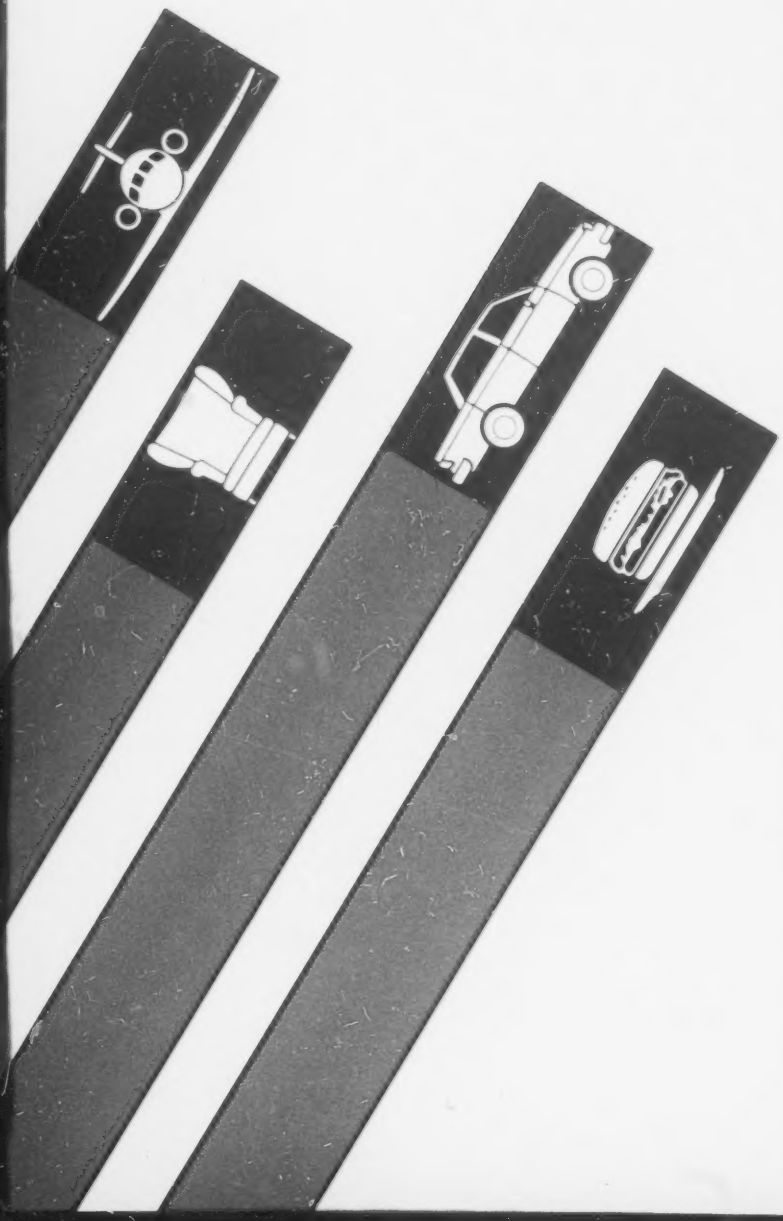
RADIO ADVERTISING BUREAU

RadioFacts

1986-1987



RADIO ADVERTISING BUREAU

RadioFacts

1986-1987

Radio Facts is a comprehensive, statistical overview of the commercial radio industry in the United States, compiled by the Radio Advertising Bureau (RAB), the sales and marketing arm of the industry representing commercial stations, networks, and station representatives. **Radio Facts,** now in its 26th edition, is widely considered the definitive source for information about radio in the United States. This data is designed for easy use in making advertising decisions.

The latest available data from many sources can be used to:

- Get a perspective on Radio's value as a marketing tool.
- Examine trends in radio use and growth.
- Demonstrate radio's strengths relative to other advertising media.
- Orient professional sales, marketing or advertising people to radio.

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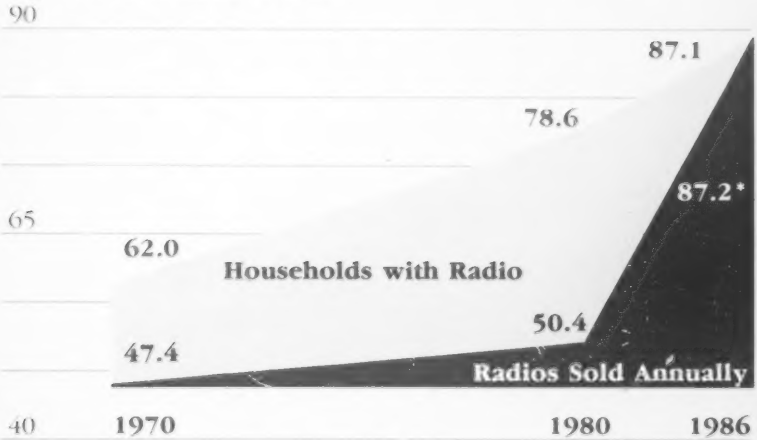
RADIO IS EVERYWHERE

507.0 Million Radios In Use; Up 11% Since 1980

Radio Sales Up 73% And Households With Radio Up 11% Since 1980



* 1985.

RADIO IS IN EVERY HOME

5.4 radios per household

370 million radio sets operate in homes

99% of all households have radios

$3.64 billion was spent on new radios in 1985

150 million battery-operated radios are in use

78% of households have a battery-operated radio

52.2 million battery-operated radios were sold in 1985

41% Of All Rooms Have Radios.

67.0% Living Rooms

58.4% Bedrooms

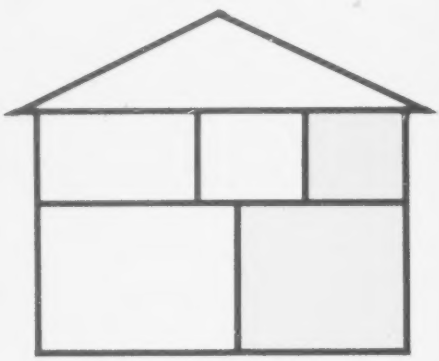
49.8% Kitchens

21.9% Dens/Family Rooms

9.3% Dining Rooms

7.2% Bathrooms

38.4% Other Rooms



EVERYONE LISTENS TO RADIO

Each Day Radio Reaches Almost 80% Of Americans

	ages 12+	12–17			
Persons	79.3%	86.1%			
	ages 18+	18–24	25–34	35–49	50+
Men	79.9%	88.5%	85.0%	81.1%	70.3%
Women	77.2	86.1	80.1	81.1	68.9
	1–2 persons	3–4 persons	5+ persons		
Adults in HH of	75.1%	80.7%	81.0%		

Each Week Radio Reaches 95.2% Of All Americans

	ages 12+	12–17			
Persons	95.2%	98.8%			
	ages 18+	18–24	25–34	35–49	50+
Men	95.6%	98.8%	99.4%	97.3%	89.6%
Women	94.0	98.1	97.0	96.9	88.3
	1–2 persons	3–4 persons	5+ persons		
Adults in HH of	92.3%	96.6%	96.3%		

RADIO REACHES AMERICAN HOMES

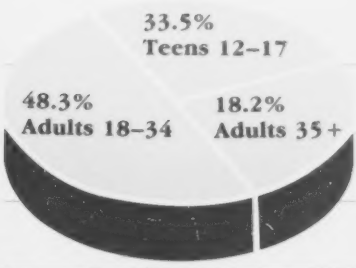
Radio Reaches 86% Of Americans At Home Every Week

	Persons 12+	Men 18+	Women 18+	Teens 12-17
Total Day	86%	83%	86%	97%
6 AM-10 AM	71	64	73	84
10 AM-3 PM	57	48	62	72
3 PM-7 PM	54	47	55	83
7 PM-Mid.	50	46	47	84
Mid.-6 AM	34	32	34	44

18.3 Million Walk-Along Users Listen

- **75%** of Walk-alongs include radios
- Walk-along owners spend 24% more time listening to the radio than before acquisition of set

Age Profile Of Walk-Along Owners



Sets In Use

Up 53% Since 1984

(7.26 Million Sets Sold 1984–'85)

RADIO REACHES DRIVERS

127 million car radios were in use in 1985

95% of all automobiles have radios

97% of all cars used for commuting have radios

85% of all car commuters are reached weekly by radio

99% of used cars have radios

98% of fleet and rental cars have radios

80% of all travel is by car

84% of all adults have drivers' licenses

Consumers Listen to Car Radio

		% Driving Time Radio Is On		
Adults who:	Use Car	Adults 18+	Men 18+	Women 18+
Commute to work	90%	93%	93%	92%
Shop for groceries	90	85	85	85
Shop other retail	90	88	85	91
Dine out	88	84	79	88

RADIO REACHES PEOPLE IN CARS

3 Out Of 4 Adults Are Reached Weekly By Radio In Their Cars

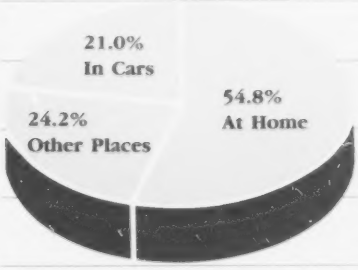
Percent Reached In Cars (Mon.-Sun., 24 Hrs.)

	Adults 18+	Men 18+	Women 18+
Total Day	73%	79%	67%
6 AM-10 AM	52	60	45
10 AM-3 PM	54	57	50
3 PM-7 PM	57	62	52
7 PM-Mid.	36	40	32
Mid.-6 AM	14	19	9

Radio Reaches Consumers Everywhere

Percent of Listening Time By Location (Mon.-Sun., 24 hr.)

Persons 12+



	At Home	In Cars	Other Places
Teens 12–17	71.6%	14.1%	14.3%
Men 18+	42.4	28.0	29.6
Women 18+	62.3	16.2	21.5

RADIO REACHES WORKING PEOPLE

57% of adults have a radio at work

83% of them listen at work an average 3:48 hrs. each day.

62% of professional/managerial men have radios at work and three-quarters listen

62% of fulltime working women have radios at work and eight out of 10 listen

Radio Listening At Work

	Adults						Men	Women
	18+	18–24	25–34	35–44	45–54	55+	18+	18+
	83%	94%	85%	88%	79%	76%	84%	83%

81% $30,000+ Household Income

74% Prof./Managerial Men

84% Full-Time Working Women

84% Adults in Multi-Paycheck Households

73% College Graduate or more

83% Homeowners

82% Multiple Car Households

82% High Mileage Drivers

84% Major Credit Card Users

RADIO LISTENING IS 1/8 OF EVERY CONSUMER'S DAY

Each Day (M-Su) Most Americans Listen To Radio More Than Three Hours

Daily Time Spent Listening

	ages 12+	12–17			
Persons	3:06	2:42			
	ages 18+	18–24	25–34	35–49	50+
Men	3:05	3:45	3:40	2:58	2:23
Women	3:13	3:35	3:07	3:36	2:52
	1–2 persons	3–4 persons	5+ persons		
Adults in HH of	2:58	3:14	3:25		

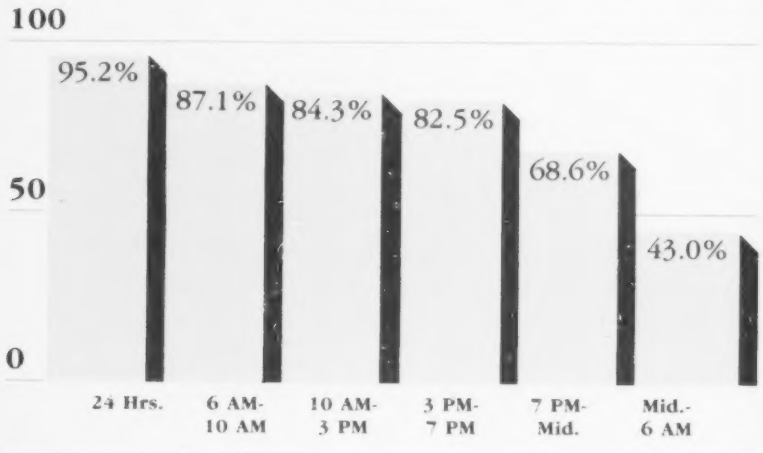
On Weekdays (M-F) 94.3% Of Americans Listen To Radio For 3 Hrs. and 21 Minutes

R = % Weekly Reach (Mon.-Fri., 24 Hrs.)
T = Averge Daily Time Spent Listening

	ages 12+	12–17			
Persons	**R** 94.3 **T** 3:21	**R** 98.7 **T** 2:47			
	ages 18+	18–34	18–49	25–54	35+
Men	**R** 94.7 **T** 3:23	**R** 99.0 **T** 4:06	**R** 98.1 **T** 3:47	**R** 97.7 **T** 3:37	**R** 91.6 **T** 2:52
Women	**R** 92.9 **T** 3:27	**R** 97.1 **T** 3:35	**R** 96.8 **T** 3:44	**R** 95.8 **T** 3:41	**R** 90.2 **T** 3:21

RADIO WORKS ALL DAY

Percent Reached by Daypart (Persons 12+, Mon.-Sun.)



Consumers Reached By Daypart (Mon.-Sun.)

	Men 18+	Women 18+	Teens 12-17
24 Hrs.	95.6%	94.0%	98.8%
6 AM-10 AM	87.9	85.4	91.3
10 AM-3 PM	83.3	84.6	86.9
3 PM-7 PM	82.5	79.9	93.6
7 PM-Mid.	67.7	64.4	90.3
Mid.-6 AM	44.3	40.1	50.6

RADIO WORKS EVENINGS AND NIGHTS

2 Out Of 3 Americans Listen To Radio During Tv Primetime

R = % Evening Reach Mon.-Sun., 7 PM-Mid.
T = Weekly Time Spent Listening

	age 12+	12–17			
Persons	**R** 68.6 **T** 4:52	**R** 90.3 **T** 5:47			
	age 18+	18–34	18–49	25–54	35+
Men	**R** 67.7 **T** 4:35	**R** 80.2 **T** 5:19	**R** 76.5 **T** 4:41	**R** 71.9 **T** 4:05	**R** 58.7 **T** 3:53
Women	**R** 64.4 **T** 4:50	**R** 77.6 **T** 4:35	**R** 73.9 **T** 4:40	**R** 68.7 **T** 4:20	**R** 56.0 **T** 5:03

Evening listeners average over 4½ hours per week

43.0% Of Americans Listen After Midnight

R = % Post-Mid. Reach Mon.-Sun., Mid.-6 AM
T = Weekly Time Spent Listening

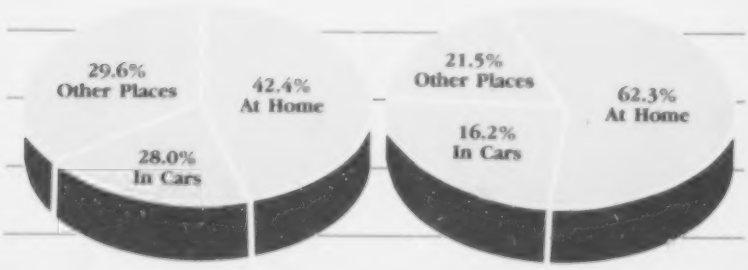
	age 12+	12–17			
Persons	**R** 43.0 **T** 3:35	**R** 50.6 **T** 2:44			
	age 18+	18–34	18–49	25–54	35+
Men	**R** 44.2 **T** 3:37	**R** 54.4 **T** 3:46	**R** 51.1 **T** 3:42	**R** 46.0 **T** 3:40	**R** 35.3 **T** 3:26
Women	**R** 40.0 **T** 3:50	**R** 47.7 **T** 3:16	**R** 45.9 **T** 3:25	**R** 41.3 **T** 3:32	**R** 35.3 **T** 4:19

Overnight listeners average 3½ hrs. per week

EVERYONE LISTENS EVERYWHERE

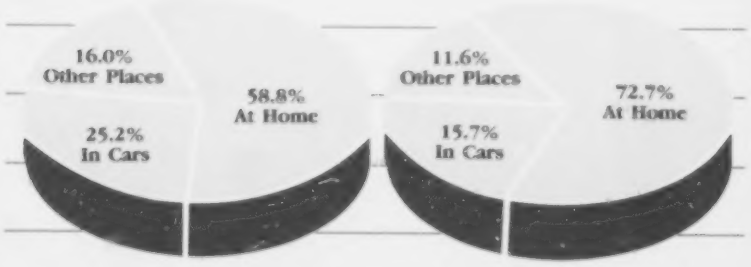
Total Radio Listening By Location (Mon.-Sun., 24 Hrs.)

Men 18+ Women 18+



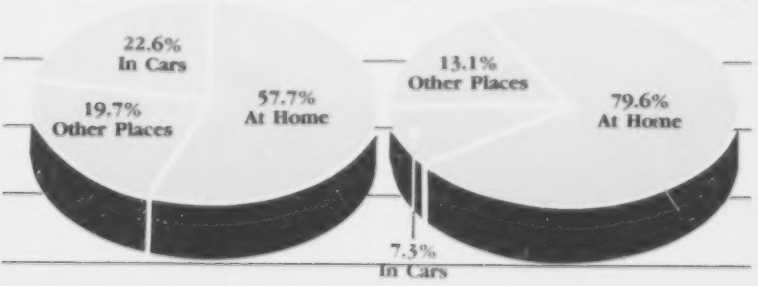
Evening Radio Listening By Location (Mon.-Sun., 7PM-Mid.)

Men 18+ Women 18+



Overnight Radio Listening By Location (Mon.-Sun., Mid.-6 AM)

Men 18+ Women 18+



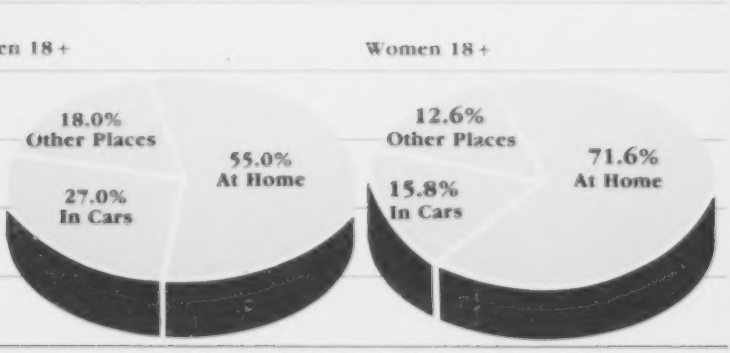
RADIO WORKS WEEKENDS

82.6% Of Americans Listen About 5 Hours Each Weekend

R = % Weekend Reach Sat.-Sun., 24 Hours
T = Average Time Spent Listening

	age 12+	12–17			
Persons	**R** 82.6 **T** 4:59	**R** 91.0 **T** 5:02			
	age 18+	18–34	18–49	25–54	35+
Men	**R** 82.5 **T** 4:39	**R** 88.9 **T** 5:23	**R** 86.4 **T** 4:59	**R** 84.3 **T** 4:41	**R** 77.9 **T** 4:07
Women	**R** 80.7 **T** 5:17	**R** 85.2 **T** 5:10	**R** 83.9 **T** 5:18	**R** 81.8 **T** 5:07	**R** 77.9 **T** 5:21

Weekend Radio Listening by Location Sat.-Sun., 24 Hrs.

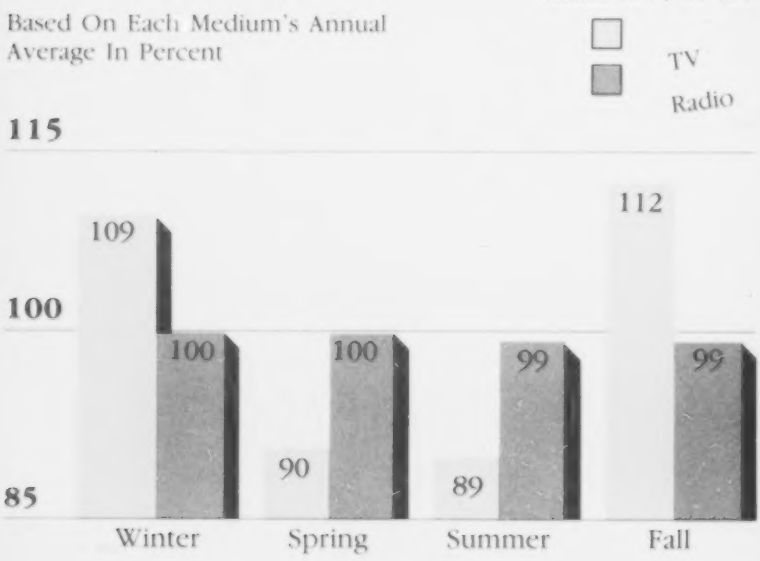


RADIO LISTENING HAS NO SEASONAL VARIATION

Seasonal Listening/Viewing Index

Adults 18+, 24 Hrs.

Based On Each Medium's Annual Average In Percent



Summer And Winter, Radio Reaches Consumers Wherever They Are

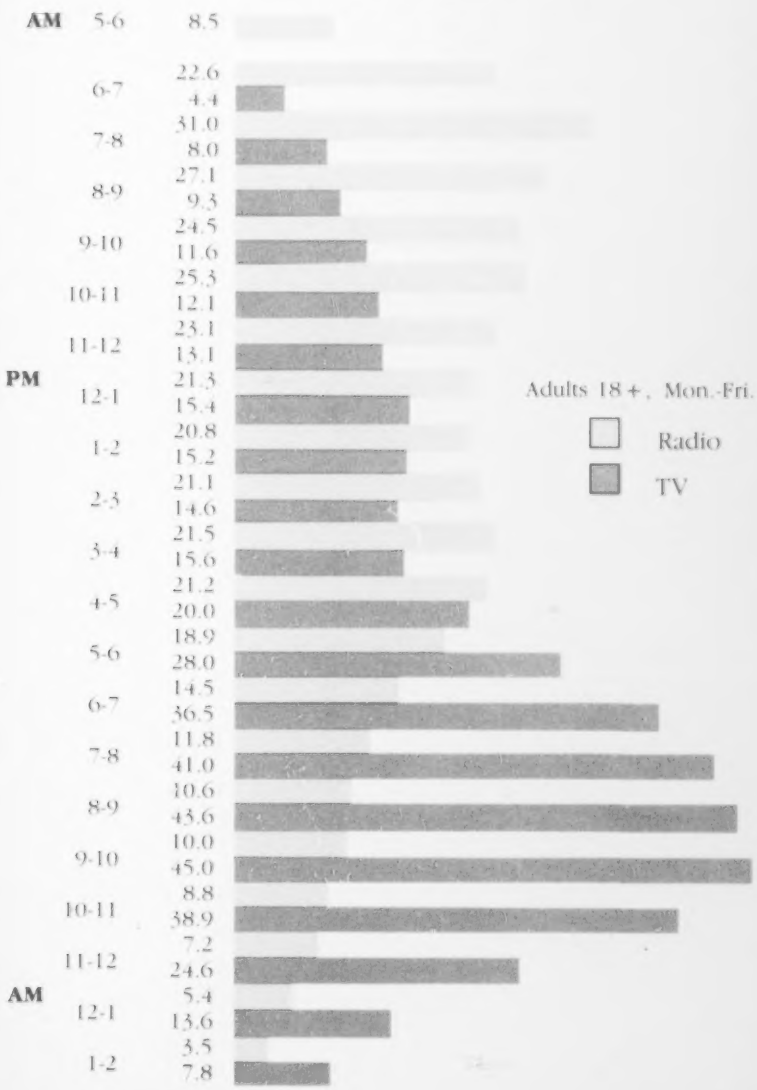
Mon.-Fri., Persons 12+

Radio Listening By Location/Daypart

	Summer '85		Winter '85	
	Home	Away	Home	Away
6 AM-Mid.	52.8%	47.2%	53.3%	46.7%
6-10 AM/3-7 PM	53.2	46.8	54.6	45.4
10 AM-3 PM	43.5	56.5	41.2	58.8
7 PM-Mid.	69.9	30.1	73.0	27.0

RADIO LISTENING IS GREATER THAN TV VIEWING FROM 5 AM 'TILL 5 PM

Hour-by-Hour Arbitron Tabulation on Radio Listening and Television Viewing Levels (AQH) For Adults 18+



AMERICANS DEPEND ON RADIO

Radio Reaches Everyone

R = % Weekly Reach Mon.-Sun., 6 AM-Mid.
T = Average Daily Time Spent Listening

	age 12+
Persons	**R** 96 **T** 3:34

	age 12-17	18-34	35-49	50-64	65+
Men	**R** 97 **T** 2:34	**R** 98 **T** 3:52	**R** 97 **T** 3:34	**R** 95 **T** 3:26	**R** 91 **T** 3:34
Women	**R** 98 **T** 3:08	**R** 98 **T** 3:26	**R** 96 **T** 3:17	**R** 97 **T** 3:52	**R** 89 **T** 4:17

Radio Reach by Daypart

M = % Men Reached
W = % Women Reached

Daypart Mon.-Fri.	age 12-17	18-34	35-49	50-64	65+
6 AM-10 AM	**M** 78 **W** 89	**M** 88 **W** 89	**M** 91 **W** 93	**M** 93 **W** 90	**M** 85 **W** 88
10 AM-3 PM	**M** 42 **W** 53	**M** 71 **W** 77	**M** 65 **W** 74	**M** 64 **W** 76	**M** 82 **W** 84
3 PM-7 PM	**M** 82 **W** 89	**M** 89 **W** 86	**M** 87 **W** 82	**M** 81 **W** 78	**M** 78 **W** 71
7 PM-Mid.	**M** 81 **W** 88	**M** 69 **W** 66	**M** 58 **W** 58	**M** 54 **W** 53	**M** 55 **W** 58

Weekend	age 12-17	18-34	35-49	50-64	65+
6 AM-Mid.	**M** 88 **W** 96	**M** 88 **W** 88	**M** 82 **W** 84	**M** 84 **W** 85	**M** 92 **W** 92

BLACK AMERICANS DEPEND ON RADIO

Radio Reaches Almost All Black Persons

R = % Weekly Reach Mon.-Sun., 6 AM-Mid.
T = Daily Time Spent Listening

	age 12+
Persons	**R** 97 **T** 4:17

	age 12–17	18–34	35–49	50–64	65+
Men	**R** 98 **T** 3:26	**R** 98 **T** 4:26	**R** 98 **T** 4:08	**R** 96 **T** 4:17	**R** 86 **T** 4:17
Women	**R** 99 **T** 3:43	**R** 99 **T** 4:26	**R** 97 **T** 4:17	**R** 98 **T** 4:26	**R** 93 **T** 4:52

Blacks Listen Throughout The Week

M = % Men Reached
W = % Women Reached

Mon.-Fri.	age 12–17	18–34	35–49	50–64	65+
6 AM-10 AM	**M** 82 **W** 86	**M** 86 **W** 90	**M** 90 **W** 93	**M** 89 **W** 92	**M** 87 **W** 94
10 AM-3 PM	**M** 51 **W** 55	**M** 71 **W** 75	**M** 67 **W** 69	**M** 65 **W** 70	**M** 85 **W** 79
3 PM-7 PM	**M** 84 **W** 87	**M** 85 **W** 83	**M** 78 **W** 74	**M** 75 **W** 64	**M** 64 **W** 62
7 PM-Mid.	**M** 80 **W** 90	**M** 77 **W** 73	**M** 66 **W** 61	**M** 56 **W** 56	**M** 51 **W** 58

Weekend	age 12–17	18–34	35–49	50–64	65+
6 AM-Mid.	**M** 91 **W** 92	**M** 89 **W** 91	**M** 86 **W** 89	**M** 88 **W** 91	**M** 92 **W** 93

HISPANIC-AMERICANS DEPEND ON RADIO

Radio Reaches Hispanics

R = % Weekly Reach Mon.-Sun., 6 AM-Mid.
T = Daily Time Spent Listening

	age 12+
Persons	**R** 98 **T** 4:17

	age 12–17	18–34	35–49	50–64	65+
Men	**R** 99 **T** 3:17	**R** 98 **T** 4:17	**R** 97 **T** 4:08	**R** 96 **T** 4:26	**R** 96 **T** 4:34
Women	**R** 99 **T** 3:52	**R** 99 **T** 4:26	**R** 99 **T** 4:17	**R** 94 **T** 4:43	**R** 90 **T** 5:17

Hispanics Listen Throughout The Week

M = % Men Reached
W = % Women Reached

Mon.-Fri.	age 12–17	18–34	35–49	50–64	65+
6 AM-10 AM	**M** 79 **W** 88	**M** 85 **W** 86	**M** 87 **W** 88	**M** 90 **W** 90	**M** 89 **W** 87
10 AM-3 PM	**M** 65 **W** 65	**M** 73 **W** 72	**M** 65 **W** 60	**M** 66 **W** 67	**M** 75 **W** 75
3 PM-7 PM	**M** 90 **W** 90	**M** 84 **W** 85	**M** 82 **W** 80	**M** 75 **W** 75	**M** 63 **W** 65
7 PM-Mid.	**M** 87 **W** 85	**M** 73 **W** 72	**M** 60 **W** 61	**M** 55 **W** 45	**M** 50 **W** 60

Weekend	age 12–17	18–34	35–49	50–64	65+
6 AM-Mid.	**M** 88 **W** 86	**M** 87 **W** 88	**M** 82 **W** 82	**M** 85 **W** 85	**M** 90 **W** 90

UPSCALE AMERICANS DEPEND ON RADIO

Radio Reaches Upscale Audiences

R = % Weekly Reach Mon.-Sun., 24 Hours
T = Average Daily Time Spent Listening

Household Income	Men	Women
$40,000+	**R** 97.6 **T** 3:00	**R** 96.3 **T** 3:12
$30,000–$39,999	**R** 97.3 **T** 3:17	**R** 94.4 **T** 3:13
$20,000–$29,999	**R** 95.4 **T** 3:11	**R** 95.4 **T** 3:20
Educational Level	**Men**	**Women**
Att./Grad. College	**R** 96.5 **T** 2:54	**R** 96.2 **T** 3:05
High School Grad.	**R** 96.8 **T** 3:23	**R** 94.8 **T** 3:28
Women's Employment		**Women**
All Working Women		**R** 97.6 **T** 3:38
Full-Time		**R** 97.9 **T** 3:41
Part-Time		**R** 96.7 **T** 3:26

RADIO DELIVERS REACH AND FREQUENCY

In all size markets buying only a few stations, radio delivers big reach and high frequency.

R = % Reach
F = Frequency
G = Gross Rating Points

market rank*	one week	four weeks
1–25	**R** 33.7 **F** 2.7 **G** 92.2	**R** 61.8 **F** 6.0 **G** 368.9
26–50	**R** 40.2 **F** 3.1 **G** 123.9	**R** 69.6 **F** 7.1 **G** 495.7
51–100	**R** 32.6 **F** 3.1 **G** 100.6	**R** 58.2 **F** 6.9 **G** 402.2
101–200	**R** 45.7 **F** 3.4 **G** 153.9	**R** 75.6 **F** 8.1 **G** 615.7
200+	**R** 40.0 **F** 2.5 **G** 99.4	**R** 73.3 **F** 5.4 **G** 397.6

* Single selected market within each group.
3 stations, 18 spots per week each.

Describing a radio station's audience using the average quarter hour rating (the average audience for all the ¼ hours in the time period), neglects the Cume which is the circulation of the station or the number of different people who tune in weekly.

Although the AQH numbers could be relatively small, the reach developed by only 3 stations running 18 spots/week on each is significantly higher. In the markets shown, stations develop strong impact in terms of reach and frequency. More stations and more spots will increase radio's advertising impact.

RADIO ADDS IMPACT TO TELEVISION

Radio Reaches Light TV Viewers And Adds Advertising Pressure Against Medium & Heavy Viewers

(Mon.-Sun. 8 AM-2 AM)

Daily Time Spent With TV and Radio

	Adults 18+	
TV Viewing Quintiles	TV	Radio
Very Heavy	7:05	3:01
Heavy	4:16	2:57
Moderate	2:58	3:10
Light	1:55	3:21
Very Light	0:42	3:14

Each Day All TV Viewers Listen To Radio

	Men 18+		Women 18+	
TV Viewing Quintiles	TV	Radio	TV	Radio
Very Heavy	6:27	3:00	7:39	3:01
Heavy	3:44	3:04	4:45	2:50
Moderate	2:37	3:20	3:18	2:59
Light	1:43	3:23	2:05	3:19
Very Light	0:39	3:25	0:44	3:04

RADIO IS AMERICA'S FIRST NEWS SOURCE

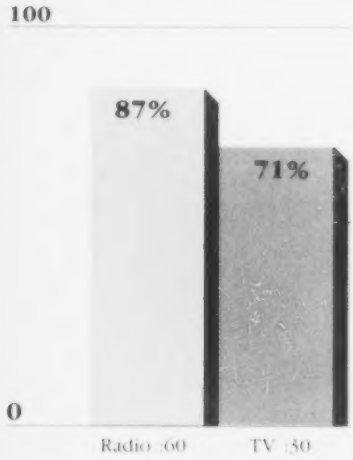
Radio Is The First Morning News Source

Morning (6 A-10 A)	Radio	Tv	News-papers	Other	None
Persons 12+	56%	21%	16%	1%	7%
Teens 12-17	56	23	13	—	7
Adults 18+	56	20	16	1	7
Adults 18-34	62	19	12	1	6
Adults 25-54	57	18	18	1	6
College Grads	56	15	23	—	4
Prof./Mgr. Males	56	16	24	1	2
Working Women	66	20	10	1	4

Radio Is The First News Source At Midday

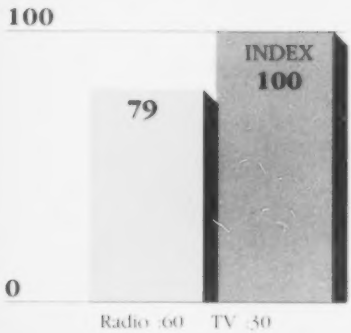
Midday (10 A-3 P)	Radio	Tv	News-papers	Other	None
Persons 12+	38%	23%	13%	2%	25%
Teens 12-17	24	22	22	2	30
Adults 18+	40	23	12	2	24
Adults 18-34	50	20	12	2	17
Adults 25-54	41	18	13	2	27
College Grads	43	9	16	1	32
Prof./Mgr. Males	41	5	16	4	34
Working Women	40	18	13	2	27

RADIO IS INTRUSIVE



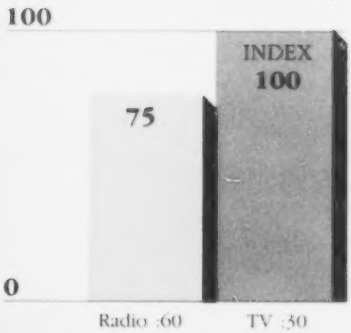
In Aided Recall Test Radio 60 Second Spots Score Better Than TV 30s

The Pretesting Company measures commercial recall after respondents have been exposed to commercials two times during a "real life" setting. Using a disguised exposure testing approach the respondent is not aware of the purpose of the test. The scores show total aided recall of the two exposures during a 15-minute program. (36 pairs of Radio and TV commercials). Comparisons of comparable length spots showed radio recalled over 90% as well as TV.



In Recall Tests Radio Commercials Score 79% Against Tv's Norm

Radio Recall Research measures 24-hour proven recall. Respondent is exposed to prepared Radio program, including commercials at interviewing center in shopping mall. Index represents widely accepted 24-hour recall norms for TV 30's of 24% over 1,500 separate Radio tests.



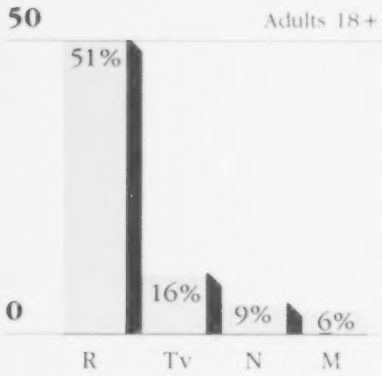
In Coupon-Redemption Tests Radio Delivered 75% of Tv's Impact

Teleresearch, Inc. tests coupon redemption at supermarkets and drug stores. Respondents are exposed to five non-competitive Radio commercials and given a booklet of cents-off coupons before entering store. Redemption index is developed by comparing test and control sample.

RADIO AFFECTS BUYING DECISIONS

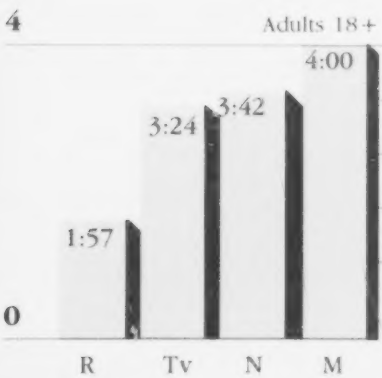
Radio Reaches Consumers Closest To Largest Purchase Of Day

Percent Reached By Media Within
One Hour Of Day's Largest Purchase



	Men	Women
Radio	51%	52%
Television	19	14
Newspapers	12	7
Magazines	8	4

Radio Reaches Consumers Within 2 Hours Of A Major Purchase

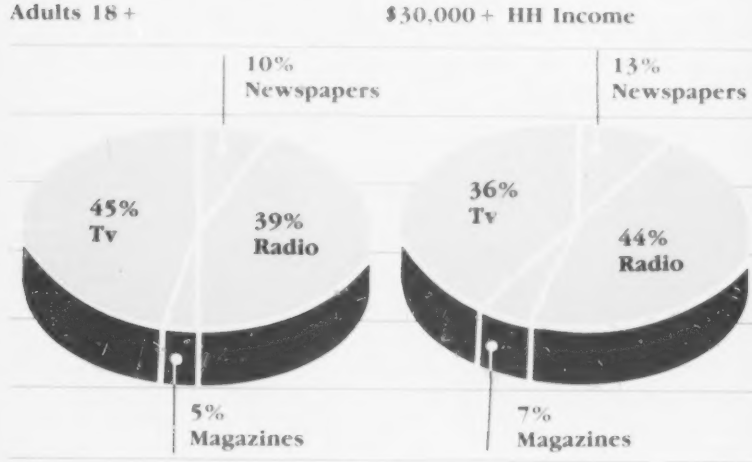


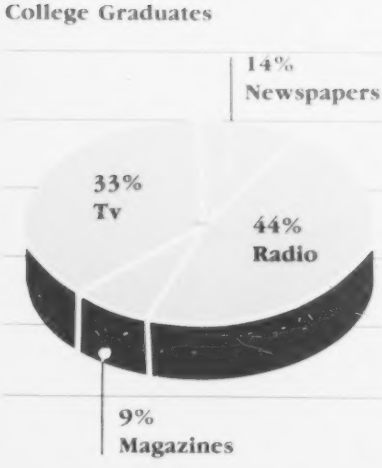
	Men	Women
Radio	1:54	2:00
Television	3:18	3:30
Newspapers	3:30	3:54
Magazines	3:54	4:06

RADIO TARGETS DEMOGRAPHIC GROUPS

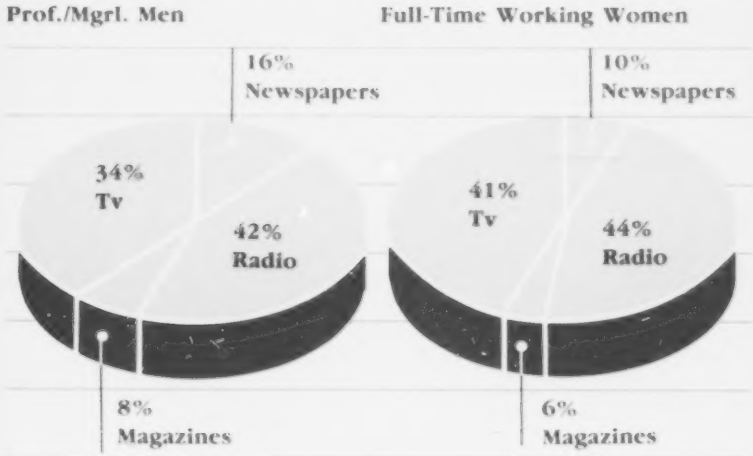
Radio Matches Tv's Reach and Targets Upscale Consumers Better

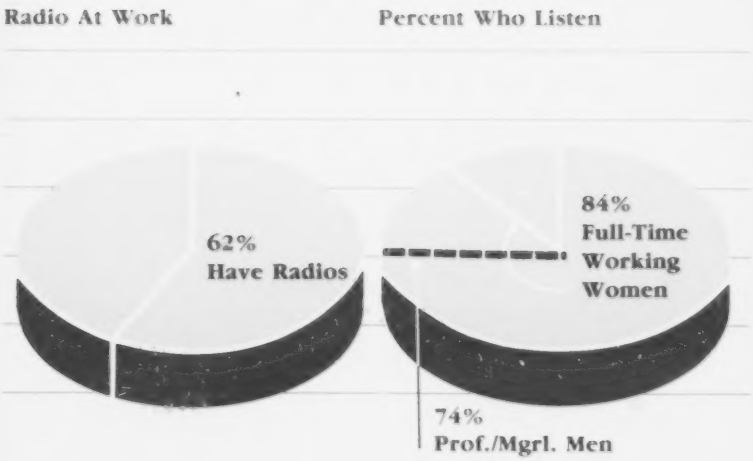
Share-Of-Time Spent Daily With Each Medium





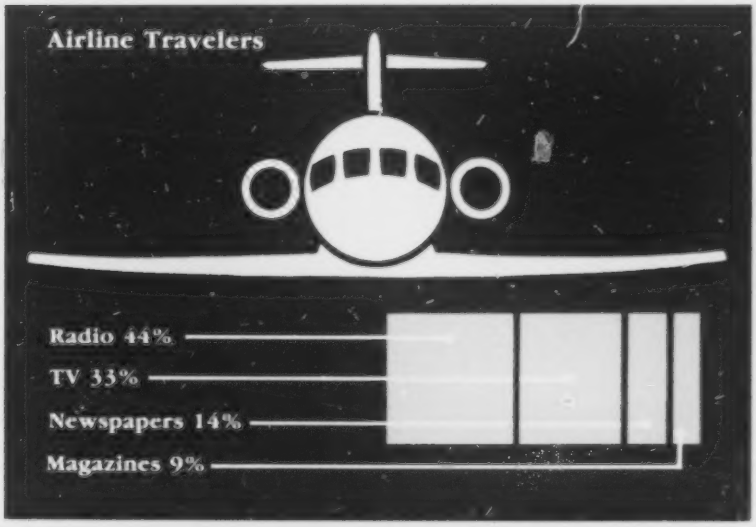
Prof./Mgrl. Men, Working Women Spend More Time With Radio

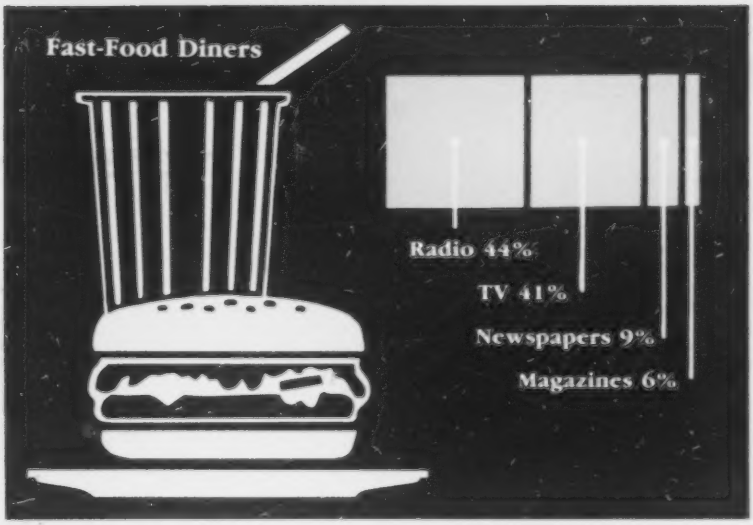




RADIO TARGETS PRODUCT USERS

Share-of-Time: Radio Leads Other Media Among Key Product Users

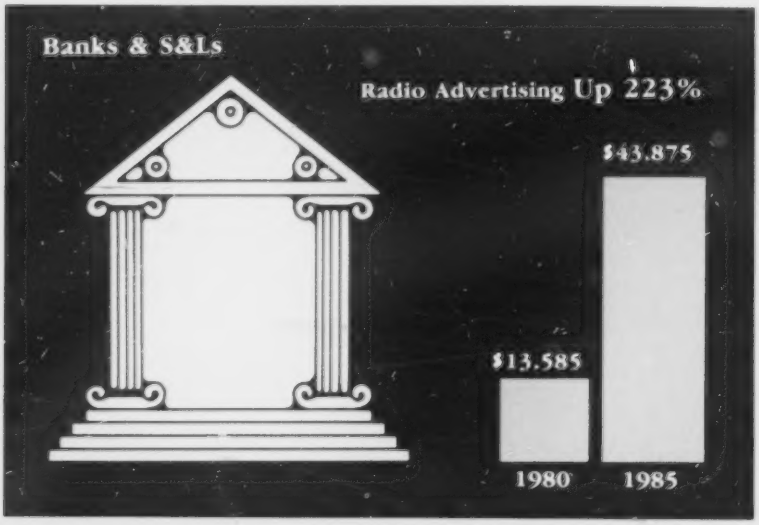


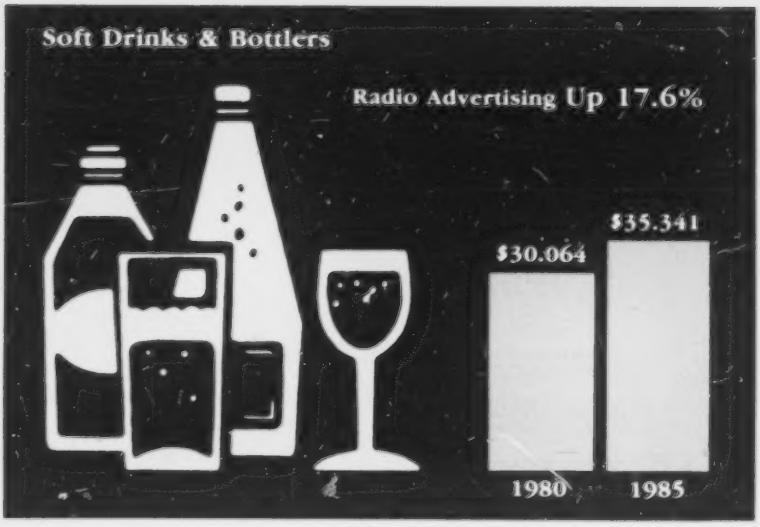


RADIO SELLS FOR RETAILERS

Marketers Are Using More Radio To Sell Merchandise

(In Millions Of Dollars)





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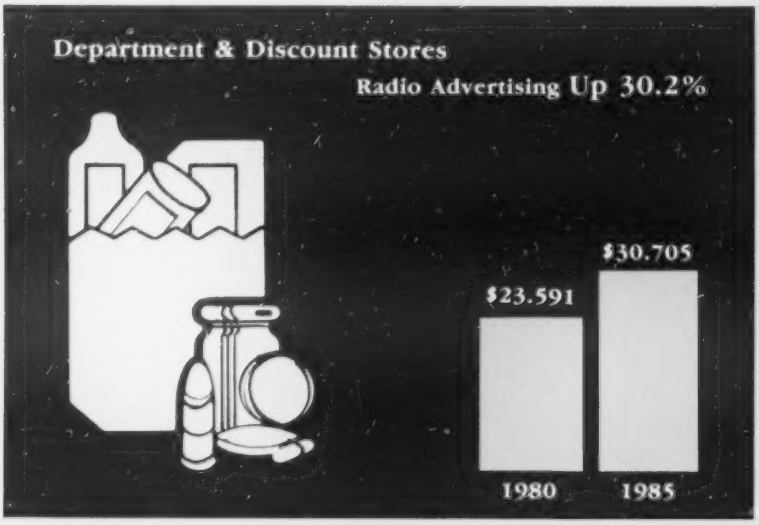

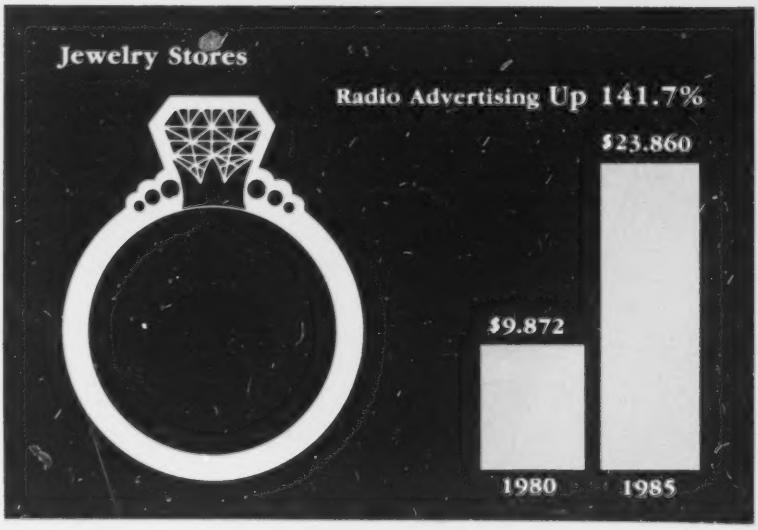

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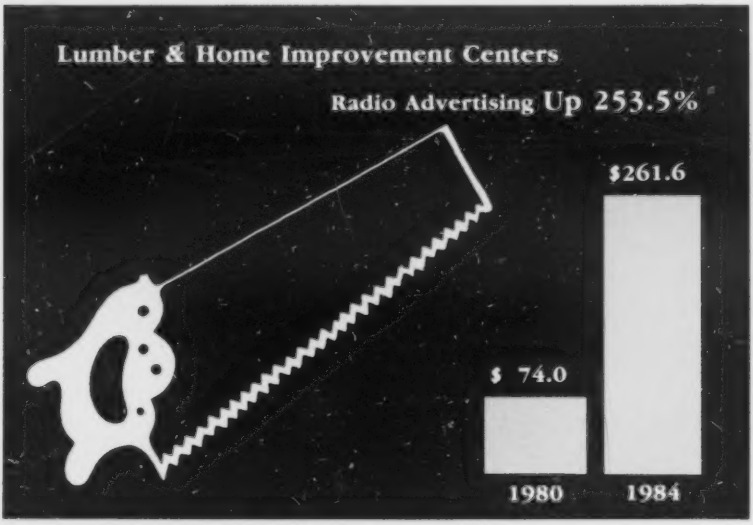

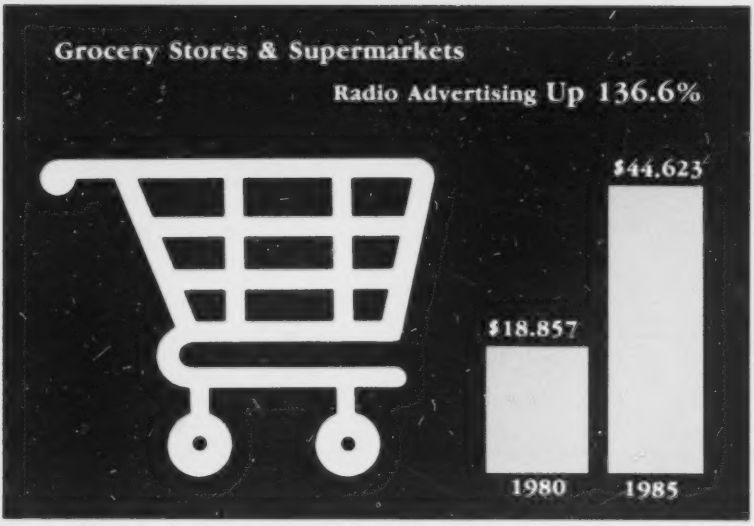

RADIO SELLS FOR RETAILERS

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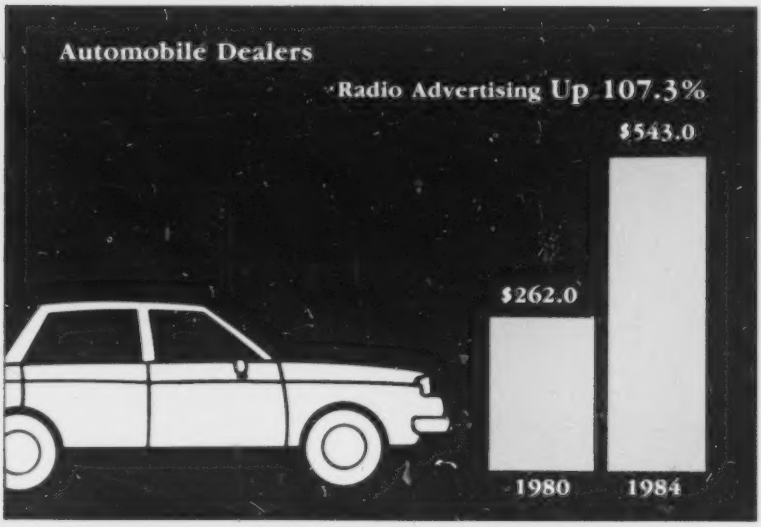

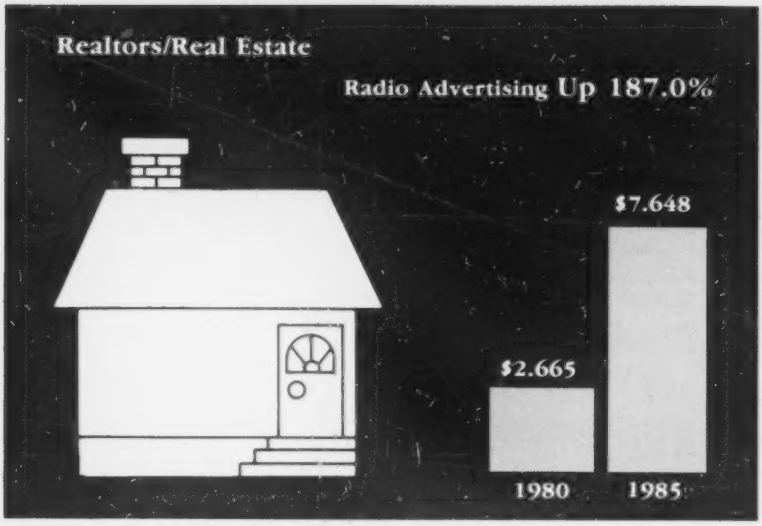

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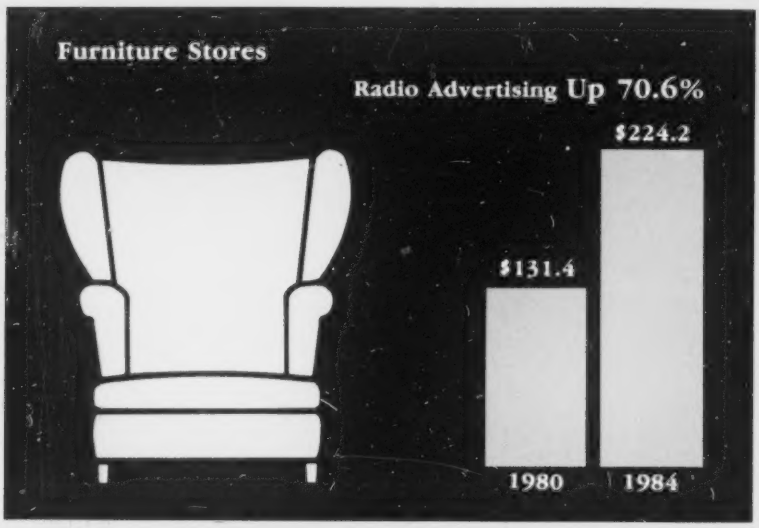
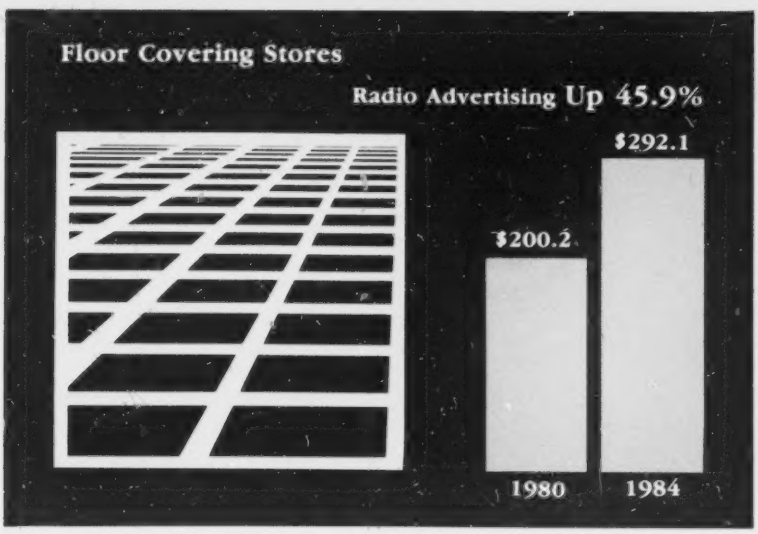
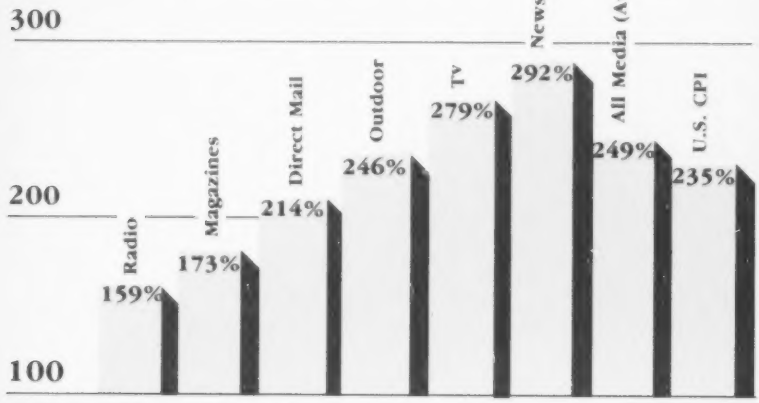




RADIO COMPETES WITH OTHER MEDIA

Radio's CPM Grew Less Than Any Other Medium

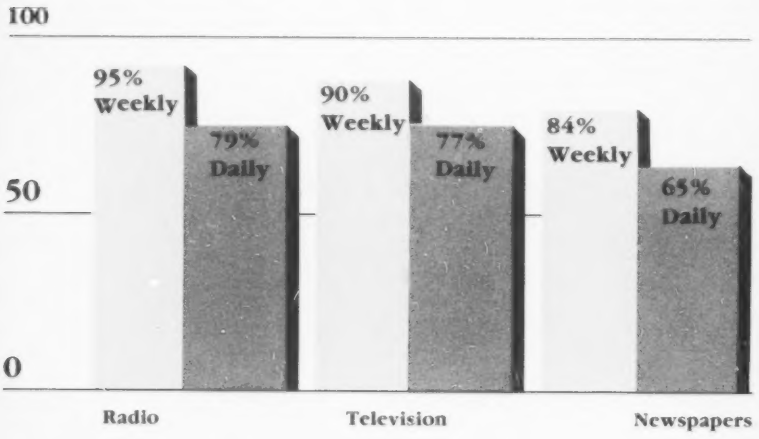
Cost-Per Thousand Increase 1967*—1986



*1967 is the base year for Consumer Price Index

Daily and Weekly Radio Outreaches Tv and Newspapers

Adults 18+



RADIO FORMATS

There are 4,718 commercial AM stations and 3,875 commercial FM stations licensed by the Federal Communications Commission operating in the United States in 1986 (as of 2/86). 1,231 non-commercial stations can also be found, primarily on the FM dial.

A programming format usually defines the kind of audience attracted to a particular radio station. The following formats are in use:

How AM/FM stations program by format

Percent of AM, FM stations in the top 100 markets programming each format

Format	AM	FM	Total AM/FM
Adult contemporary	22.1%	20.4%	21.1%
Country	17.3	15.3	16.2
Rock/CHR	4.8	19.1	12.8
Album oriented rock (AOR)	0.5	13.5	7.8
MOR/nostalgia	15.5	1.9	7.8
Easy listening/Beautiful music	1.7	12.3	7.7
Religious	7.4	3.1	5.0
News/talk	8.7	0.3	4.0
Black/R&B	4.9	1.8	3.2
Urban contemporary	1.8	3.7	2.9
Golden oldies	4.4	1.5	2.8
Spanish	4.1	0.8	2.2
Classical	0.8	2.4	1.7
All news	3.8	—	1.6
Soft contemporary	0.3	2.5	1.5
Variety	1.7	0.6	1.1

AM & FM STATIONS

Stations On Air

Year	AM Stations On Air	FM Stations On Air	Total Stations On Air
1985*	4,718	3,875	8,593
1984	4,754	3,716	8,470
1980	4,589	3,282	7,871
1970	4,323	2,196	6,519
1960	3,539	815	4,354

* As of 2/25/86. . .all others are year-end totals (12/31).

Commercial Loads & Newscast Lengths

AM Stations

	1984	1985	Change
Avg. Commercial Mins./Hr.	11:00	10:06	−0:54
Avg. # Spots/Hr.	14.0	12.7	-1.3
Avg. Newscast Length	6:00	5:30	−0:30

FM Stations

	1984	1985	Change
Avg. Commercial Mins./Hr.	9:54	9:17	−0:37
Avg. # Spots/Hr.	11.4	11.9	+0.5
Avg. Newscast Length	4:05	3:42	−0:23

RADIO'S 1985 TOP 25 SPOT ADVERTISERS

	Millions Of $	
1.	**$40.034**	Anheuser-Busch, Inc.
2.	**31.720**	Van Munching & Co. (Heineken & Amstel)
3.	**29.925**	PepsiCo, Inc.
4.	**27.943**	General Motors Corp.
5.	**23.549**	Chrysler Corp.
6.	**19.926**	Southland Corp. (7-11 Stores)
7.	**19.903**	Delta Air Lines Inc.
8.	**19.746**	Miller Brewing Co.
9.	**16.704**	Sears, Roebuck & Co.
10.	**14.944**	Eastern Airlines
11.	**14.613**	Ford Motor Co.
12.	**14.205**	American Airlines
13.	**13.972**	Martlett Importers (Molson)
14.	**11.896**	Nissan Motor Corp.
15.	**11.017**	Pillsbury Co.
16.	**10.759**	Beatrice Companies
17.	**10.584**	United Airlines
18.	**10.269**	George A.Hormel Co.
19.	**9.837**	IBM Corp.
20.	**9.642**	Shell Oil Corp.
21.	**9.537**	Adolph Coors Brewing Co.
22.	**9.463**	Stroh Brewing Co.
23.	**9.201**	Midas Muffler
24.	**9.078**	Saga Corp. (Stuart Andersons)
25.	**8.914**	Coca-Cola Co.

Note: AT&T and its former subsidiaries spent $45.1 million in spot radio during 1985.

RADIO'S 1985 TOP 25 NETWORK ADVERTISERS

	Millions Of $	
1.	**$24.853**	American Telephone & Telegraph Co.
2.	**20.803**	Sears Roebuck & Co.
3.	**16.268**	Warner-Lambert Co.
4.	**14.250**	Greyhound Corp.
5.	**12.770**	Procter & Gamble Co.
6.	**9.334**	R.J. Reynolds Inc.
7.	**9.049**	Cotter & Co. (True Value Hardware)
8.	**9.034**	General Motors Corp.
9.	**8.929**	Anheuser-Busch Inc.
10.	**7.969**	Chesebrough-Pond's Inc.
11.	**7.829**	George A. Hormel Inc.
12.	**7.625**	Ford Motor Co.
13.	**7.523**	Triangle Publications Inc.
14.	**6.605**	Whirlpool Corp.
15.	**5.707**	Florists Transworld Delivery Ass'n.
16.	**5.572**	AG Bayer
17.	**5.491**	Kelly Service Inc.
18.	**5.456**	Beatrice Companies Inc.
19.	**5.363**	Goodyear Tire & Rubber Inc.
20.	**5.296**	PepsiCo. Inc.
21.	**4.812**	U.S. Government
22.	**4.655**	Campbell Soup Co.
23.	**4.435**	Kmart Corp.
24.	**4.269**	Chrysler Corp.
25.	**4.191**	S.C. Johnson & Sons Inc.

RADIO'S NATIONAL ADVERTISERS INCLUDE ALL MAJOR BUSINESSES

1985 Ranking

Rank	Spot	Net-work	Spot And Network Combined
1. **Food Products**	19.1%	13.9%	18.1%
2. **Consumer Services**	11.8	14.6	12.3
3. **Beer, Ale, Wine**	12.1	4.2	10.5
4. **Automotive**	10.3	7.3	9.7
5. **Travel & Shipping**	11.5	2.9	9.6
6. **Retail Stores (National)**	2.6	11.1	4.3
7. **Apparel**	3.7	1.4	3.3
8. **Drugs & Health Care**	2.1	8.0	3.2
9. **Computers & Office Products**	2.9	3.3	3.0
10. **Cosmetics & Toiletries**	1.9	6.5	2.9
11. **Soft Drinks & Water**	2.5	1.9	2.3
12. **Publishing & Media**	2.3	1.5	2.1
13. **Agricultural & Garden**	2.0	1.7	2.0
14. **Confections**	0.5	7.3	1.9
15. **Gasoline & Oil**	2.2	0.5	1.8
16. **Home Furn./Appliances**	1.3	3.5	1.8
17. **Entertainment & Amusements**	1.9	0.5	1.5
18. **Building/Hardware/Paint**	1.6	1.1	1.5
19. **Jewelry**	1.6	0.6	1.5
20. **Government**	1.0	1.1	1.0
21. **Soaps & Cleansers**	0.6	2.0	0.8
22. **Consumer Electronics**	0.7	—	0.5
23. **Optical & Photo**	0.6	0.3	0.5
24. **Sporting Goods & Toys**	0.5	—	0.5
25. **All Others**	2.7	5.7	3.4
	100.0%	**100.0%**	**100.0%**

LOCAL RADIO ADVERTISERS INCLUDE A WIDE RANGE OF BUSINESSES

Share of Expenditures

		Market Size:			
Rank	Total	1M+	250K-1M	50K-250K	Under 50K
1. **Auto Dealers**	**10.7%**	11.1%	11.2%	10.9%	10.2%
2. **Dept. Stores**	**8.4**	9.4	8.6	7.9	8.1
3. **Banks**	**8.0**	6.5	6.6	8.3	9.1
4. **Clothing Stores**	**7.7**	7.2	7.4	7.6	8.1
5. **Restaurants**	**7.0**	6.4	7.7	7.2	6.8
6. **Supermarkets**	**6.7**	6.4	6.0	5.3	8.1
7. **Furniture Stores**	**6.4**	4.7	6.6	6.2	7.3
8. **Bottlers**	**5.9**	6.0	6.5	6.9	4.9
9. **Appliance Stores**	**4.9**	3.5	5.2	5.0	5.2
10. **Savings & Loans**	**4.2**	5.0	3.6	4.4	3.9
11. **Shopping Centers**	**3.3**	4.2	3.6	3.8	2.4
12. **Jewelers**	**3.3**	3.2	3.1	3.6	3.3
13. **Theaters**	**3.3**	6.7	4.1	3.1	1.4
14. **Lumber Dealers**	**2.8**	1.0	1.9	3.0	4.0
15. **TBA Stores**	**2.8**	2.9	3.3	2.6	2.6
16. **Drug Stores**	**2.5**	2.2	1.6	2.3	3.4
17. **Shoe Stores**	**2.0**	1.2	1.8	2.1	2.3
18. **Entertainment**	**1.7**	2.6	2.5	1.8	0.7
19. **Agricultural**	**1.3**	0.1	0.7	1.6	1.9
20. **Stereo/Record Stores**	**1.2**	2.8	2.0	1.0	0.2
21. **Other Financial**	**1.2**	1.5	1.0	1.1	1.1
22. **Religion**	**0.6**	0.2	1.3	0.7	0.3
23. **Real Estate**	**0.5**	0.8	0.2	0.6	0.5
24. **All Others**	**3.6**	4.4	3.5	3.0	4.2
	100.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**

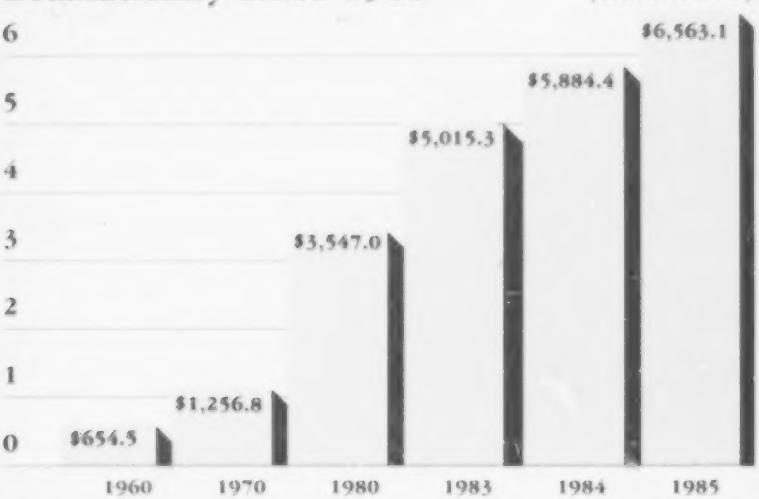
RADIO REVENUES

Radio's Revenues Are Growing

Millions of $

Year	Spot	Local	Network	Total
1985	1,319.4	4,915.0	328.7	6,563.1
1984	1,184.4	4,412.0	288.0	5,884.4
1983	1,022.8	3,739.0	253.5	5,015.3
1982	909.4	3,365.0	217.5	4,491.9
1981	854.3	3,007.0	195.9	4,057.2

Radio Revenues Have Grown Dramatically Since 1960



GLOSSARY

Glossary of Key Terms And Formulas

A wealth of terminology has come to describe the many dimensions of Radio audience research. As new buying and planning techniques are developed, new terms are added to the vocabulary and even established terms take on new meanings.

Audience Research Terms

Average Quarter-Hour Audience (AQH Persons) An average of the number of people listening for at least five minutes in each quarter-hour over a specified period of time. In modern Radio average quarter-hour measurement should be considered a measure of Total Time Spent Listening (see below).

Average Quarter-Hour Rating (AQH Rating) Average Quarter-Hour Audience expressed as a percentage of the population being measured.*

AQH PERSONS ÷ POPULATION = AQH RATING

Share Of Audience (Share) The percentage of those listening to Radio in the AQH that are listening to a particular station.

AQH PERSONS/ONE STATION ÷ AQH PERSONS/RADIO = SHARE

Because the AQH actually reflects Total Time Spent Listening, Share Of Audience is the share of Total Time Spent Listening to Radio.

Cumulative Audience (Cume Persons) Also called Unduplicated Audience, it is the number of different people listening at least five minutes during a specified period of time. Cume Audience is the potential group that can be exposed to advertising on a radio station, just as readership is the potential exposure group for a magazine or newspaper.

Cumulative Rating (Cume Rating) Cumulative Audience expressed as a percentage of the population being measured.*

CUME PERSONS ÷ POPULATION = CUME RATING

Total Time Spent Listening (TTSL) The number of quarter-hours of listening to Radio or to a station by the population group being measured.*

AQH PERSONS × QUARTER-HOURS IN TIME PERIOD = TTSL IN QUARTER HOURS

Average Time Spent Listening (TSL) The time spent listening by the average person who listens to Radio or to a station.

TTSL ÷ CUME PERSONS = TSL

Average Time Spent Listening is an indicator of audience availability to advertising messages. The more time spent listening, the greater opportunity for exposure and ability to develop frequency.

Audience Turnover (T/O) The number of times the Average Quarter-Hour Audience is replaced by new listeners in a specified period of time. Audience Turnover is also the number of announcements required to reach approximately 50% of the station's Cumulative Audience in the time period.

CUME PERSONS ÷ AQH PERSONS = T/O

* The population being measured can be all people or any demographic group.

Schedule Measurement Terms

Reach The number of different people who are exposed to a schedule of announcements, i.e., those listening during a quarter-hour when announcements are aired.

Reach can also be expressed as a Rating (percentage of the population being measured)

PERSONS REACHED ÷ POPULATION = REACH RATING

Gross Impressions The total number of exposures to a schedule of announcements. Not a measure of the number of different people exposed to a commercial.

AQH PERSONS × NUMBER OF ANNOUNCEMENTS = GROSS IMPRESSIONS

Frequency The average number of times the audience reached by an advertising schedule (those listening during a quarter-hour when an announcement is aired) is exposed to a commercial.

GROSS IMPRESSIONS ÷ REACH = FREQUENCY

Gross Rating Points (GRPs) Gross Impressions expressed as a percentage of the population being measured.* One Rating Point equals one percent of the population.

GROSS IMPRESSIONS ÷ POPULATION = GRPs

It can also be derived by combining AQH Ratings:

AQH RATING × NUMBER OF ANNOUNCEMENTS = GRPs

Cost Per Thousand (CPM) The basic term to express Radio's unit cost. It establishes 1000 as the basic unit for comparing Radio values. Most frequently used to compare the cost of 1000 Gross Impressions on different stations, it is also used to compare the cost of reaching 1000 people.

$$\frac{\text{SCHEDULE COST}}{\text{GROSS IMPRESSIONS (IN THOUSANDS)}} = \text{CPM}$$

Cost Per Rating Point (CPP) An expression of Radio's unit cost using a Rating Point, which is one percent of the population being measured*. Cost Per Rating Point is often used for planning Radio in conjunction with GRPs.

$$\frac{\text{SCHEDULE COST}}{\text{GROSS RATING POINTS}} = \text{CPP}$$

Reach/Frequency Evaluations

Reach/Frequency Formulas There are three factors in any Reach/Frequency formula: 1) Reach, 2) Frequency and 3) GRPs. Their relationship is expressed in these formulas, with any two factors predicting the third:

REACH × FREQUENCY = GRPs
GRPs ÷ FREQUENCY = REACH
GRPs ÷ REACH = FREQUENCY

Example: If 100 GRPs are purchased and the advertiser has determined a 4 Frequency is necessary, the Reach will be 25. These formulas make Radio planning extremely flexible.

Effective Frequency The minimum level of frequency—number of exposures—determined to be effective in achieving the goals of an advertising campaign (e.g., awareness, recall, sales, etc.). This level will vary with in dividual products or services and the marketing objectives of the campaign.

Frequency Distribution A tabulation separating those reached by a schedule, according to their minimum levels of exposure: 2 or more times, 3 or more times, 4 or more times, etc.

Effective Reach The number of people reached by a schedule at the pre-determined level of Effective Frequency.

Effective Rating Points (ERPs) Effective Reach expressed as a percentage of the population being measured.*

EFFECTIVE REACH ÷ POPULATION = ERPs

SOURCE APPENDIX

2 Radios In Use: RAB estimate based on Electronic Industries Association (EIA) set sales. Households With Radio: RAB projection based on U.S. Census Bureau HH count (year-end). Radios Sold Annually: EIA.

3 Radios Per HH, Sets in homes: RAB estimates based on EIA, U.S. Census Bureau 1985, RADAR 1980. $ Spent: RAB estimate based on EIA set sales figures and Merchandising Magazine retail price averages. 150 million battery-operated: RAB estimate from RADAR 1980, Home Testing Institute 1985, EIA set sales figures, and Industrial Mktg. Research Co. 1983-84 survey on replacement vs. new/additional purchases. 78% of HHs have: EIA, 1980. 52.2 million sold: EIA, 1985. Rooms with radio: RADAR, 1980.

4 RADAR 32, Fall 1985

5 Radio At Home: RADAR 32, Fall 1985. Set Count: RAB estimates from set sales (Merchandising), with 87.3% of set sales being additional or first-time purchases per an Industrial Mktg. Research Co. 1983-84 survey, 1982 Bruskin/Target Marketing & The Media. Percent with Radio: Merchandising.

6 127 million in use, 95% have radio: RAB estimate based on Federal Hwy. Administration car count and Bruskin TM&M, 1982. 97% of commuters' cars, 85% reached: Bruskin, 1982. 99% of used cars: Hertz, 1979. 98% of fleet cars: Nat'l. Ass'n. of Fleet Administration, 1980. 80% of all Travel: Federal Hwy. Administration, 1983. Workers, Shoppers & Diners: Bruskin, 1982. 84% of Adults have driver's licences: Simmons Market Research Bureau, 1984.

7 RADAR, Fall 1985

8 Bruskin, 1982

9-13 All Data: RADAR, Fall 1985

14 Seasonal Data: Radio-Average of Arbitron, 14 markets measured four times a year in 1985. TV—Nielsen, 1985 from TvB time spent viewing. Radio—Adults 18+, Mon-Sun, 6AM-Mid. TV—Adults 18+, Mon-Sun, 24 hrs. Location of Radio listening — Mon-Fri. 14 Arbitron Metro Areas—Persons 12+.

15 Radio beats TV 5AM-5PM — Special top five market (MSA) analysis. Radio — Arbitron, Fall 1984. TV — Arbitron, November 1984.

16 Arbitron — Radio Today, 1984

17 Arbitron — Radio Today; The Black Listener, 1984

18 Arbitron — Radio Today; The Hispanic Listener, 1984

19 RADAR, Fall 1985

20 Arbitron — Fall 1985: Pittsburgh, Indianapolis, Las Vegas, Gainesville, FL. Spring 1985: Huntsville, AL. Top 3 stations within each MSA.

21 Special Tabulation for RAB by Simmons Market Research Bureau, 1984.

22 Bruskin, 1982

23 The Pre-Testing Company 1985. Radio Recall Research through Dec. 1985. Teleresearch, Inc. 1978.

24-29 All Data: Bruskin, 1982

30-32 Compiled from RER and trade association sources.

33 CPM Index: McCann-Erickson projections for 1986. Network and Spot Radio & TV averaged by RAB. Radio Daily and Weekly Reach: RADAR, Fall 1985; TV-Nielsen, Persons Using TV Report, Feb. 1982 from TvB; Newspapers-Simmons Market Research Bureau, 1984 (daily), Newspaper Adv. Bureau estimate based on Simmons (wkly).

34 Radio Stations operating: FCC (2/86); By format: TV/Radio Age (3/17/86). Prepared by Radio Information Center.

35 Station Counts: FCC, year-end except Feb. 25, 1986 for 1985. Commercial loads, Newscast lengths: NRBA Programming Survey, 1985

36 All Data: Radio Expenditure Reports, 1985.

37 LNA/BAR, 1985.

38 RER (Spot) and LNA/BAR (network). Averaged and weighted by RAB to be compatible with total revenues.

39 RAB Member survey, 1980.

40 1981-1985: RAB estimates based on RER, Radio Network Ass'n, RAB Local Business Barometer, NAB Radio Financial Reports. 1980 and before: FCC.

41-47 Compiled by RAB Research Dep't. from various sources.